GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:4323
ANSWERED ON:15.12.2000
COST OF SUGAR PRODUTION
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Indian Institute of Sugarcane Research has found a wayto help the country to overcome its problem of plenty in sugar production;

(b) if so, the details thereof;

(c) whether the per quintal cost of sugar production comes to about Rs.1,400 while the price reigning in the international market is around Rs.1000;

(d) if so, the reasons therefor; and

(e) the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a) & (b) : The mandate of the Indian Institute of Sugarcane Research, Lucknow is as under :

To conduct basic and applied research on all aspects of production and protection techniques of sugarcane and sugar crops, particularly sugar beet for different agro-climatic zones of the country.

To work on breeding of varieties for sub-tropical region in close collaboration with Sugarcane Breeding Institute, Coimbatore.

To develop close linkages with State Agricultural Universities/State Research Stations, other national and international organizations for exchange of information, material and research programmes.

To organize post-graduate and other training programmes in production and protection technologies at regional, national and international levels.

To provide consultancy and advisory services, to disseminate technologies to farmers, industries and other users, and to establish data-based management systems.

The following major technologies have been developed for increasing sugarcane production in the country:-

Technologies for maximizing sugarcane production i.e. Spaced Transplanting Technique (STP), diversification of sugarcane based production system including companion cropping with potato/wheat/mustard/coriander, skip furrow method of irrigation and trash mulching, fertilizer schedule for plant and ratoon crop, integrated nutrient supply system, management of wheat-cane system.

In crop protection techniques, the Institute has developed three-tier seed programme, integrated pest control for pyrilla, scale insects, shoot borer, top borer, stalk borer, black bug, plassey borer and integrated weed management.

The institute has also developed machineries for efficient planting of sugarcane and also for ratoon and disease management i.e. Tractor drawn Sugarcane Cutter Planters, Sugarcane Cutter Planter with seeding attachment,Multipurpose equipment, Stubble Shaver, MHAT Plant for controlling sett- borne diseases.

(c) & (d) : The actual cost of production of sugar incurred by various sugar mills in different States is not maintained by this Department. The F.O.B. prices of sugar in the international market (London) during the month of November, 2000 were in the range of US $225 PMT to US $255 PMT with an average of US $243.04 PMT.

(e) The following steps have been taken by the Government to improve the economic viability of the sugar mills :-

(i) The ratio of levy to free sale sugar has been changed from 40:60 to 30:70 with effective from 1.1.2000.

(ii) To restrict the flow of the imported sugar:-

(a) duty on imported sugar has been raised to 60% with effect from 9.2.2000,

(b) the imported sugar has been brought under the release mechanism and

(c) levy @ 30% on the stocks of imported sugar held by the importers has been imposed with effect from 17.2.2000.

(iii) A policy of encouraging stability and reasonable level of sugar prices in the domestic market is being pursued through judicious releases of free-sale sugar quotas.